H.R. 848, the Performance Rights Act was reported out of the House Judiciary Committee on May 13, 2009, in a bipartisan 21-9 vote.

This bill will correct our copyright law that allows AM and FM broadcasters to use music without compensating the performers, musicians, and owners who created it.

Under current law, when songs are played on internet radio, satellite radio, audio cable television music stations, television shows, commercials and movies, the performers are paid. Only AM/FM radio has been exempt from fairly compensating artists for the use of their property.

Moreover, this disparity has prevented American performers from collecting royalties from foreign countries. Every country that is a Member of the Organization for Economic Co-Operation and Development pays their artists a performance fee when their songs are played on the radio except the United States. The other countries that are a part of this organization are: Austria, Australia, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovakia, South Korea, Spain, Sweden, Switzerland, Turkey, United Kingdom. Unfortunately, because the United States does not pay royalties to any performers when their songs are played on US radio stations, when the other countries pay performers, they pay all performers, except those who are from the US.

In response to concerns that the bill would negatively impact small, religious and minority broadcasters, Chairman Conyers introduced a Manager's amendment at the committee mark-up. Stations with annual gross incomes of less than $100,000 will pay just $500 a year. Stations with annual gross incomes more than $100,000 and less than $500,000 would pay just $2, 500 per year. Stations with annual gross incomes of more than $500,000 and less than $1.25 million will pay just $5,000 per year. This rate is guaranteed in statute and cannot be changed by regulation. There are no other costs associated with this royalty payment.

Stations with annual gross incomes above $1.25 million will pay a rate set by the Copyright Royalty Board.

The manager's Amendment also makes provisions to preserve diversity in broadcasting by directing the Copyright Royalty Judges, in making determinations of rates for public performances, to consider evidence on the effect on religious, small, non-commercial, minority-owned and religious-owned broadcasters, as well as religious, minority or minority-owned, and female or female-owned royalty recipients.

The manager's amendment also ensures that the payment by broadcasters will not affect the ability of any broadcaster to fulfill its public interest obligations.

The manager's amendment also includes a delay of the effect of royalty payments for broadcasters whose total gross revenues during the 4 full calendar quarters immediately preceding the date of enactment are less than $5,000,000. These broadcasters will not have to pay any royalty during the three years immediately following the date of enactment.
For those with revenues over $5,000,000, the bill delays any royalty payments for one year.

The bill guarantees that 50% of the royalties will be paid directly to artists. The other 50% goes to the copyright owners – in some cases, these same artists; in other cases, a record label. Artists are in favor of this split because record labels play a vital role in investing in artists, promoting artists, and protecting artists' copyrighted works.